

# **The Role of Human Resource Information System on Staff Retention Management**

*Emergent Research Forum*

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## **Abstract**

It is important to retain Quality employees in the organization, and there is limited empirical research regarding the application of Quality Human Resource Information Systems in staff retention management. This paper covers the application of quality HRIS (e.g. Recruitment Information, and Personnel Information) in staff retention management in the hospitality industry by adoption of institutional theory and job characteristics theory. The focus of this research is on the activities of the organization at the early stage of recruitment and selection levels. Adoption of institutional theory provides a perspective to internal and external staff turnover factors (e.g. remuneration, training quality, and lack of growth opportunities) prior to recruiting an employee to the organization. This research will be conducted at a well-known company in the hospitality industry.

## **Keywords**

Human Resource Management, Humana Resource Information System, Information Technology System, Staff Retention Management, Staff turnover.

## **Introduction**

The mutual relationship between HRIS and staff retention has received significant research attention over the years (Obeidat and Yousef, 2012; Messersmith, 2013; A. F. Karikari et al., 2015). However there is a paucity in scholarly works on the use and application of Human Resource Information System (HRIS) and resulting impact on staff retention in hospitality industry that due to its inherent characteristics (e. g. nature of jobs and staff turnover) warrants further research (Muliawan et al., 2009; Khera and Gulati, 2012; Winkler et al., 2013). Therefore, more empirical research regarding the application of HRIS in staff retention management creation is needed in the above industry, as suggested by Beulen (2009). The current paper aims to address this nascent issue by identifying and analyzing the dearth in scholarly works on HRIS and offers a more holistic conceptual framework by combining various disciplinary and research areas including information systems and human resource management. A systematic literature review identified the necessity of conducting such a research.

## **Literature Review**

Most of the previous studies on HRIS are theoretical based (Chakraborty and Abu Mansor, 2013), and in particular staff retention in the hospitality industry. There are few empirical studies that state HRIS as an essential factor for improving staff retention management in terms of studying and reducing staff turnover factors. However, few numbers of studies provided empirical evidence on the relationship between HRIS and staff retention management (Kehoe and Wright, 2013). The importance of the impact

of HRIS on staff retention and possible consequences of staff turnover in the organization are of interest researchers in both HR and IS areas for further studies in these fields.

### ***Human Resource Management (HRM)***

Human resource activities are related to two departments in the organizations, Human resource Management (HRM) and Information Technology Systems (ITS). "Human resource management refers to a collection of policies used to organize work in the employment relationship and centers on the management of work and management of people who undertake this work" (Beardwell and Claydon, 2010, p.4). However, this research focuses on recruitment and selection activities. This is because of the importance of the activities in recruitment and selection in order to have quality decision making to improve staff retention management process in the hospitality industry. For successful recruitment and selection in the hospitality industry, it is important to investigate and examine the key factors among HR practices that affect staff retention and their relationship to each other. Ottenbacher (2007) discussed excellent HRM practices which directly have impacted the hospitality innovation success. Although most of the studies agreed on the strong relationship between HRM and hospitality industry success, there is not enough empirical research conducted on this topic (Chang et al., 2011).

### ***Information Technology System (ITS)***

Information Technology systems (ITS) covers a broad area in most industries (Al-Karaghoul et al., 2005) while this is in contrast with other technologies which are only used in limited industries (e.g. Nanotechnology which could be used in microscopic machines) (Tanriverdi, 2006). The aim of ITS in organizations is to acquire, share, manage and evaluate employees' data, to provide a better picture for to managers, to support and help in making the right decision (Simon, 2006). Thus, it is essential for companies to have a high-quality IT management. This could help the organization to avoid investing in ineffective ITS, as most businesses are willing to avoid spending on such. Good ITS support the functions in the organizations' strategies including HR strategies (Wickramaratna, 2011). According to Gaines et al. (2012), there was an assumption that IS could help HR management to reach their objectives, later on, they changed their views that IS plays a strategic role in HRM. In other words, IS is a technology platform for organizations, and HRM is directly involved with employees' careers. Therefore, IS could be strategic factor directly or indirectly in employees' retention of which ITS used in HRM policies, and this could lead us to employ Human Resource Information Systems. A. F. Karikari et al., (2015) discussed HRIS enables the managers to make more accurate decisions about a candidate in recruitment, and therefore it can play an important role in HRM activities.

### ***Human Resource Information System (HRIS)***

Different studies discussed HRIS as an appropriate tool to help in better retention and management of employees (Hussain et al., 2006). HRIS is an intersection of HR and IS by marrying HR with information systems (IS) to provide an accurate and up-to-date picture of employees for the management to make a better decision (Bohlander et al., 2001). Different studies stated there are many advantages for HRIS, such cost reduction, the speed of access to information, and information quality and accuracy (Ngai and Wat, 2006). However, HRIS was not only used for administrative and operation levels, it could be also used for strategic activities such as decision making (Ngai and Wat, 2006). Gaines et al. (2012) argued that although there is no doubt of the advantages of HRIS, successful implementation of HRIS is not guaranteed and it could cause high cost due to failure. What is important in this research is to identify the relationship between HRIS and staff retention clearly.

### ***Retention Management: Staff Turnover Factors and Retention Strategies***

In order to understand retention management, it is important to have a better understanding of term "Staff Turnover". Staff turnover is defined as the "individual movement across the membership boundary of an organization" (Price, 2001; Long et al 2012). However, for a more specific definition of staff turnover, one must define the intentions of staff retention, for example; job satisfaction or benefits. More organizations in the hospitality industry are suffering from staff turnover that has significant impacts on their business. Based on a literature review by Long et al. (2012) compensation and benefits, training,

performance management, career development, and employee relation management are significantly related to staff turnover intention. High employee's turnover could be a very serious problem for the stability and future of an organization (Long et al., 2012). As we can see from different studies (Price, 2001; Long et al., 2012), high turnover is one of the concepts which were considered in organizations. Different studies about turnover phenomena show the importance and complexity of it for the organizations (Long et al., 2012). There should be an appropriate management and control of HR strategies in the organization to be able to have successful retention management (Beulen, 2009). One possible alternative to access to this management level is HRIS (Hussain et al., 2006; Beulen, 2009). Although there are many studies about the impact of HRIS on management, there is not enough research on the relationship between HRIS and staff retention management. This research focused on the impact of HRIS on management decision making in improving staff retention in an organization. Before considering HRIS and its relationship with staff retention management, it is important to investigate all direct and indirect factors which could influence staff turnover in the organization and all possible retention strategies.

Different studies argue for different reasons of staff turnover in the organizations. Different studies' findings could be illustrated as five group factors including; Organizational factors (e.g. remuneration, and length of employment) (Sandhya and Kumar, 2011; Chi et al., 2013); Personal factors (e.g. gender, and perceptions of career) (Beulen, 2009); Skills and Knowledge factors (e.g. knowledge background) (Beulen, 2009; Chi et al., 2013); External factors (e.g. globalization) (Beulen, 2009); and Workplace factors (e.g. organization culture) (Sandhya and Kumar, 2011). It is very important and vital for the organization to be aware of above staff turnover factors, and try to safeguard themselves and their employees from possible consequences with appropriate retention strategies. The main aim of having retention strategies is to avoid staff turnover and encourage quality employees to stay for longer period of time in the organization. The retention is important, because of the direct impact of the high rate of staff turnover on organizations outcome (Bansal, 2014). Strategies could be classified into three main groups including individuals, organization, and the environment. Bansal (2014) also presented summarized retention strategies, according to Czakan's research (2005) such as benefits and compensation, development opportunities, and flexible working hours. Miller et al., (2006) on the other hand considered training facilities and performance recognition as considerable strategies for retention management. All these factors could be an individual, organizational, and/or environmental motivation for the employees to stay longer in an organization. Erickson (2015) also raised the point of communication in order to improve retention in the organization. Generally, retention strategies are important and should be carefully considered by managers in order to improve the quality of organization performance. In order to apply and implement best retention strategies, there is a need for quality information. It is worth noting that, HRIS is an efficient tool for managers to access quality information on time (Armstrong, 2002).

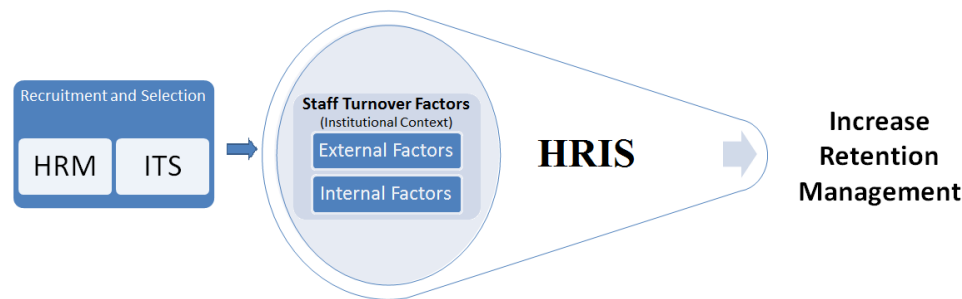
### ***HRIS and Retention Management***

In many organizations such as this case study experienced a high number of employees' turnover significantly impacts on the performance of their business (Beulen, 2009). In fact, HRIS helps HR department by providing the required information to them, and therefore directly contributes to the stability of staff turnover. HRIS could facilitate better retention management in the organization, for example, interviewees could get the advantage of HRIS functionalities to staffing global engagement employees. There are different considerable point in contribution of HRIS in staff turnover phenomena such as its support in workforce analysis (Roehling et al., 2005), career development process (Long et al., 2012), and "the possibility of storing data about job applicants that will facilitate the search process and selecting to employment" (Karimidizboni, 2013).

### **Conceptual Framework**

The conceptual framework (Figure 1) is developed to address at very early stage the relationship between recruitment and selection process and HRIS which can support the staff retention management within the context of the hospitality industry. The framework consists of three main parts: Recruitment and Selection process; Human Resource Information Systems (HRIS) application areas; and staff turnover factors (external and internal). This framework is within the scope of institutional theory (normative pillar). In the proposed framework the recruitment and selection activities considered from

two main dimensions; HRM and ITS. Then the HRIS applications in order to monitor turnover factors are examined. At that point, the relationship between HRIS outcome (about staff turnover factors) and recruitment and selection activities are clearer. Therefore, the managers could improve retention management in their organization with consideration of HRIS outcome in their recruitment process.



**Figure 1. Conceptual framework or the role of HRIS in staff retention management**

## **Proposed Methodology**

We believe interpretivist philosophy would be more appropriate for this research due to the exploratory nature of the research objectives. A case study can be conducted on a selected organization with a view to investigating their staff retention and HRIS practices. In-depth interviews, focus group discussions along with non-participant observations will be effective data collection tools in this regard. Case study as a broad research strategy needs to consider units of analysis (Yin, 2014) and this research case includes four main units. The researcher is going to collect data through two departments in research organization; delivery department, and in-house department. This research is going to adopt three data collection methods in order to support the research and validate the framework, including; focus group discussion, in-depth narrative interviews, and document analysis.

## **Conclusion**

It is believed that this research will contribute to the existing knowledge of both areas of HRIS and staff retention. Moreover, outcomes of this research will advance the knowledge in academia and will be of benefit to practitioners, and in particular the hospitality industry. Also, this research helps companies using HRIS in making balanced decisions to supporting their staff retention, suitability, and sustainability. Although other companies in similar sectors may benefit from this core study, the main benefit will be for the said hospitality company in the UK. HRIS is not a new system, but it is hoped that the impact of its application in staff retention could benefit the concerned parties, depending on the company. It could also be different in the same pattern in different industries, (e.g. health industry). However, the main impacts of HRIS on the company under study could be the same for other companies with similar business.

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